



THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্বৰ দ্বাৰা প্ৰকাশিত

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GOVERNMENT OF ASSAM

ORDERS BY THE GOVERNOR

FOOD, CIVIL SUPPLIES & CONSUMER AFFAIRS DEPARTMENT

NOTIFICATION

The 23rd September, 2019

No. FSA 79/2017/Pt.1/64.- The Governor of Assam is pleased to Notify the enclosed **Operational Guidelines** of "Price Stabilisation Fund" for State of Assam for implementation and smooth functioning of the Scheme. The Govt. of Assam has introduced PSF for containing extreme volatility in prices of selected agri-horticultural commodities, i.e. Potato, Onion, Pulses and Rice.

Introduction

1. Price Stabilisation Fund (PSF) refers to any fund for the purpose of containing extreme volatility in prices of selected commodities. In our State prices of horticulture commodities especially onion, Potato and pulses are highly volatile. At harvest time and soon thereafter there is a steep fall in wholesale and retail price. With depletion of stored stocks, the prices tend to increase. The cause of depletion of the horticulture commodities in the State is high moisture content in the atmosphere. This phenomenon is most apparent in case of onion, potato and pulses. Price volatility affects consumers in a big way.
- 1.(i) To mitigate hardships to consumers, the Govt. of Assam has made a budget provision of Rs. 50 Crore under the Scheme "Price Stabilisation Fund" for providing working capital and

other incidental expenses for procurement, maintain buffer stock, market intervention and distribution of agri-horticultural commodities when prices of these commodities goes up. The intervention is expected to regulate price volatility through procurement by State and Central agencies/ PSUs like Assam Agriculture Marketing Board, NAFED, NCCF, FCI etc. As decided by concerned departments for selected produce, maintenance of buffer stocks and regulated release through Aamar Dukan and/or Fair Price Shop/ market.

(ii) To begin with, interventions would be supported for onions, potatoes, pulses and rice only.

2. OBJECTIVES

(i) To promote direct purchase from farmers /F.P.O, farmers' association, at farm gate.

(ii) To maintain a strategic buffer stock that would discourage hoarding and unscrupulous speculation.

(iii) To protect consumers by supplying such commodities at reasonable prices through calibrated release of stock.

3. Creation of Corpus fund and its Management by State Level Price Stabilisation Fund Management Committee (SLPSFMC) and other Incidental Arrangements Relating to Funds:

3. (A)(i) Corpus Fund and its Management:

(ii) It has been decided to create a Corpus Fund of Rs. 50 cr. for providing interest free advance towards working capital to eligible proposals from the State Agencies/ Central Agencies/Central PSUs/Cooperative organizations / Farmers Produce Organisation FPOs as decided by the Food, Civil Supplies and Consumer Department to enable procurement of perishable agri-horticulture produce. The fund shall be called "Corpus Fund for Procurement and Distribution of Identified Agri-Horticultural Commodities" (referred to as the State Corpus Fund in this document). To begin with it will be used for Onion, Potato, Pulses and rice ("notified agri-horticultural commodities"). A separate savings bank account as "**Corpus fund for procurement and distribution of agri-horticultural commodities**" shall be opened by Assam Food and Civil Supply Cooperation Ltd. (AFCSCL), which will act as Fund Manager, and the amount made available by the Government would be kept in this account. The account will be in a nationalized bank with flexi deposit facility. AFCSCL will also maintain separate account of receipts and expenditure from the State Corpus Fund, and will report to the Member Secretary, SLPSFMC.

- 3.(iii) From the State Corpus fund interest free working capital advance would be provided to the States Agencies/ Central agencies, Central PSUs/ Cooperative organizations based on their proposal for market intervention for price control, as evaluated by the Food, Civil Supplies and Consumer Affairs Department with approval from the State Level Price Stabilisation Fund Management Committee (SLPSFMC). This advance will be released into a **revolving fund** account set up for the purpose by State Agencies/ Central agencies, Central PSUs/ Cooperative organizations/ FPO.

Advance received cannot be utilized for any other purpose by any recipient agency.

- 3.(iv) When retail prices of notified agri-horticultural commodities are anticipated to increase substantially, then their procurement could be undertaken from Farmers/Farmer's Association/ FPO or through import from other State or from procurement made by the Central Govt., as decided by SLPSFMC to reduce the cost of intermediation and made available at a cheaper price to the consumers.

- 3.(v) The accounts for **interest free advance** will be settled at any date decided by SLPSFMC. Losses if any, incurred by Central Government agencies/ State Agencies /Central PSUs/Cooperatives organizations as decided by respective food, Civil Supplies and Consumer Affairs department./ Ministry on account of their interventions under this scheme, will be met out of this Central Corpus Fund.

- 3.(vi) At the time of closure of accounts, profits earned on interventions will plough back into the State Corpus Fund to the extent of 50% by the agencies mentioned herein before. The SLPSFMC may consider providing some incentive from the State Corpus Fund, to Central Government agencies in case there are profits on account of the interventions.

- 3.(vii) At the time of closure of accounts on 31st March, 2019 or any further date decided by SLPSFMC, the balance amount of advance after adjusting losses/profits shall be refunded to the Food and Civil Supplies Corporation by the aforesaid Agencies.

3. (viii) In this process if the agency incur loss it shall be met by the State Govt. up to the extent of 25% and remaining 75% shall be borne by the agency itself.

If the Agency earns profit in the course of business it shall be shared 50:50 between the Agency and the Govt.

- 3.(ix) In order to determine the amount of profit/loss in the operations, the admissible items of overhead costs, may include labour, grading, packaging, transport, storage, local & other

taxes, and all other statutory levies. In addition, service charges as specified in para 4.2.6 will be treated as operational expenses for the purpose of calculating profit/loss.

3.(x) Accrued interest will be deemed to be a part of the Central Corpus Fund and will be utilized for the purpose for which the Fund is created.

3.(xi) No diversion of either the State Corpus Fund or the interest accrued thereon is permitted. The accounts of the Fund will be subject to audit by Accountant General (A.G.) .

3.(xii) Expenditure by the department/fund manager on scheme administration, monitoring etc, up to 1% of the advances made in a year, duly approved by SLPSFMC may be met from the Fund.

3.(xiii) Fund Manager i.e. Assam Food and Civil Supply Cooperation shall submit to the FCS&CA department a Statement in form GFR 20 showing the details of outstanding loans from the Fund as on 31st March, 2018 and again on 31st March, 2019. This Statement should indicate the aggregate of outstanding balance of loans, details of defaults, if any, in repayment of the sanctioned loan against each loan account. (Rule 232 of GFRs). SLPSFMC will review the situation for taking appropriate action.

3.(xiv) Releases from the Fund will be made subject to approval of SLPSFMC.

3.(B) State Level Price Stabilization Fund Management Committee (PSFMC)

3.(B) (i) The Fund shall be managed by a " State Level Price Stabilization Fund Management Committee (SLPSFMC) under the **Chairmanship of Hon'ble Minister FCS&CA Dept, Assam** with the following members:-

Sl. No.	Name and designation	Designation
1.	Addl. Chief Secretary, FCS&CA Department/ Senior most Secretary of FCS&CA Dept.	Member Secretary
2.	Agriculture Production Commissioner, Assam	Member
3.	Commissioner & Secretary, Finance Dept.	Member
4.	MD. Assam Food, Civil Supplies Corporation Ltd.	Member
5..	Secretary, FCS&CA Dept.	Member
6.	Director, FCS&CA, Assam	Member

7.	Director, Agriculture Dept.	Member
8.	Director , Horticulture, Assam	Member
9.	CEO, Assam State Agriculture Marketing Board)	Member
10.	FAO. , Directorate, FCS&CA, Assam	Member
11.	Sr. F.A./ F.A., FCS&CA Dept.	Member
12.	Sr. F. A. / F. A. Of the Nodal Department	Member

3(B) (ii) SLPSFMC will invite, appraise and approve proposals received from State Agencies/Central Agencies; Central PSUs/Cooperatives organizations as decided by FCS&CA dept. SLPSFMC will approve the amount of advance.

3. (B) (iii) SLPSFMC will take decisions regarding investing surplus available in the State Corpus Fund, in other bank instruments like fixed deposits, etc for better returns. While doing so, it will be guided by extant guidelines on this subject.

3. (B) (iv) SLPSFMC will monitor the progress of implementation of the Price Stabilization Operations by the implementing agency. SLPSFMC will advise suitable measures/corrective actions, if any, during the course of implementation, keeping in view the overall aim & objective of the scheme.

3. (B) (v) SLPSFMC will meet regularly to review the wholesale and retail prices of essential agri-horticulture commodities and will guide/propose required interventions.

3. (B) (vi) SLPSFMC may decide on addition of other agri-commodities, if need so arises, in order to increase availability of the same.

3. (B) (vii) SLPSFMC may decide on import of notified agri-commodities from other States, if need so arises, in order to increase availability of the same. The committee may also decide on import of notified agri-horticulture commodities from other countries with approval of GOI, if need so arises to fulfil the objectives.

4. Procedure for availing working capital advance from the State Corpus Fund:

4.(i) Advance from the State Corpus Fund can be availed by State Govt. Agencies and Central Govt. Agencies /Central PSUs/Cooperative organisations as decided by FCS&CA Dept.

wanting to make interventions for which they will submit specific project proposals to SLPSFMC.

13.(A)(i) Submission of proposals by State Government Agencies/Central Govt Agencies /Central PSUs/Cooperative organisations as decided by FCS&CA Dept.

- (ii) The FCS&CA Dept. will be the nodal administrative department for the scheme. Proposal of State level agencies and Central agencies/Central PSUs/Cooperatives organizations wherever required shall be routed through Agriculture or any other department after evaluation by the State level Price stabilisation Fund Management Committee.
- (iii) The proposal should include, *inter alia*, need for interventions backed by likely production data, prevailing and anticipated market prices (likely market prices in coming 2-6 months as well as historical data of prices over last 2-3 years), the quantity to be procured, amount of working capital requirement. The proposal will outline the methodology of procurement including procurement centres and maintenance of stocks, details of storage/cold storage locations and arrangements with owners of such storages. To the extent feasible, the procured produce should be stored in warehouses accredited under WDRA.
- (iv) To the extent possible, the procurement should be directly from the grower farmers or FPOs/ Farmer's Producers Association of such produce at farm gate and prompt payment to them should be ensured. However, the SLPSFMC may decide on import from within the country or from outside (with GOI's approval) of notified agri-horticultural commodities, on need basis.
- (v) The implementing agency will be required to maintain subsidiary accounts of the interest free advance / loan and audited statement of accounts, along with profit & loss statement, income & expenditure statement, and detailed physical & financial progress report and provide to Assam Food and civil Supply corporation a final statement of settlement of the accounts with a copy to Food, Civil Supply and consumer Affairs Department.
- (vi) Service charges admissible for the implementing agency will be upto 2.5% of procurement price i.e. net payment to the farmers for procuring the produce or cost of import.
- (vii) A loan Agreement specifying all the terms and conditions shall be executed by the State level agencies and Central agencies/Central PSUs/Cooperatives organizations while submitting the proposal. A clause shall invariably be inserted in all such Agreements enabling Assam Food and civil Supply Corporation /Government at any time to call for accounts of the applicant relating to any accounting year with power to depute an officer specially authorized for this purpose to inspect the applicant's books, if necessary.

- (viii) **In the Agreement/Sanction Letter, prompt repayment should be made a condition for the grant of interest-free loans. The sanction letter in such cases should provide that in the event of any default in repayment, interest at rates prescribed by Govt. from time to time will be chargeable on the loans.**
- (ix) A nodal Agreement shall be signed between the beneficiary agency (loanee) and the Loaner. The MD. Assam Food, Civil Supplies Corporation Ltd., shall be the signatory authority for the said purpose.

5. Implementation Period

Scheme will be implemented during 2018-19. The Fund may be allowed to roll on to future years also.

6. Revision of Scheme Guidelines:

Based on experience acquired in the initial period of operation of the scheme, the scheme may be modified, if required. However, any further changes in the Scheme would be done on the recommendations of the SLPSFMC and with the approval of Hon'ble Minister of FCS&CA Dept., Assam.

S. Z. HAZARIKA,

Secretary to the Government of Assam,
Food, Civil Supplies & Consumer Affairs Department.